

Chief of Mission, Frankfurt
ATTN: FINANCE DIV.
Chief, Berlin Operations Base

CADORY/Administrative

DTLINEN- 1954 Budget Requirements

REF: EGBA-4041

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No Change in Class. <input checked="" type="checkbox"/>
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Class. Change _____
Next Review Date: 09/10/10
Auth: INFO: Chief, EE
Auth: HR _____
Date: 09 OCT 1954
By: [Signature]

1. We are attaching herewith a photostatic copy of reference for your information and convenience.
2. You will note that para 1 of reference shows the breakdown for the basis of our 1954 budget request. Also, included herein are our comments re possible increases in expenses such as salaries and travel.
3. [] has now submitted a budget of DTLINEN's future requirements. Please note that this budget does not include the salary and travel increase mentioned in reference. We are forwarding herewith a photostatic copy of the German budget and a translation of same summarized.
4. It should be noted that DTLINEN has an overt and covert unit with separate budgets and accountings. As shown in the past few months, separate receipts are obtained for each unit.
5. It is hereby requested that an additional 20,000 DMS be added monthly to our initial request, namely, 10,000 DMS for anticipated salary and travel increases and 10,000 DMS to cover regular expenses itemized in the German budget. This would bring our total yearly budget to [] DMS or [] (4.2:1).
6. It is requested that these figures be made part of our initial budget request.

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V/KUFIRE

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SECRET

SECURITY INFORMATION

Attachments:

1. 1 copy REF. HERewith
2. 2 copies Sum. "
3. German Budget UNSEPCOV

32-124-1-707

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CENTRAL INTELLIGENCE AGENCY
SOURCE METHODS EXEMPTION 3828
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2007

15 MAY 1953

Chief, RR

Chief, Berlin Operations Base

CALORY/Operational

DTLINEN/Budget Amendment

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Next Review Date: 09/10/10

Auth.: HR 70-3

Date: 09 OCT 1980

1. In order to formulate an up-to-date estimate of FY 1954 budgetary requirements, certain aspects pertinent thereto should be called to your attention. The current DTLINEN budget is as follows:

- A. 31,000 DM monthly regular subsidy. - *cover section functions.*
- B. 800 DM monthly Newham salary.
- C. 31,500 DM monthly former Ford Foundation grant now underwritten by us from ☐ funds (but not part of the regular subsidy). - *over section function*
- D. 5,000 DM monthly to replace this sum heretofore granted by the Berlin Senate (authorized in DIR 49962, but not part of the regular subsidy).
- E. *AC* 319,600 DM - *(54 Auth. AC)* total yearly operational expenditures, of which *AC* 381,600 DM are regular subsidy.

2. A proper estimate of DTLINEN FY 1954 budgetary requirements should be based on present and future trends rather than on past history. The above cited 319,000 DM covered DTLINEN's 1953 operational expenditures but permit little leeway to provide for impending increased expenditures. Three principal factors may increase 1954 expenditures:

- ✓ A. Salaries of DTLINEN employees are generally out of line with those of similar positions in private industry.
- ✓ B. DDR security measures are forcing Sovsone co-workers to travel circuitous routes to Berlin, thus increasing travel expenses.
- ? C. More extensive use of mailing operations to offset possible reductions in balloon operations will increase distribution costs.

Distribution:

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3. We harbor no altruistic motives vis-a-vis DTLINEN employees. However, the interests of sound security and increased loyalty prompt us to suggest that consideration be given to bringing DTLINEN employees' salaries on a par with those paid for similar positions in private industry. At our request, DTLINEN submitted a list of its salaried employees. The list shows monthly gross earnings, stipends, monthly net earnings and the approximate pay scale for comparable positions in private industry. The list is forwarded as Attachment (A); pages marked Roman I list overt headquarters and Göttingen office employees, and page Roman II lists covert section employees. A comparison of the two pay scales permits ready calculation of the overall differential between the two. The approximate difference for all DTLINEN salaried employees is 10,000 DM monthly or 120,000 DM per annum. Since we are basing the above suggestion on long-range plans for DTLINEN, we would appreciate your comments regarding this matter. It is, of course, realized that the figures as presented by DTLINEN are self-serving. We do propose to make a very careful check of all salaries prior to giving permission and/or a blanket increase, after approval has been received from the Home Office. A conservative raise of salaries of employees who have been with the organization for a lengthy period of time is definitely within keeping, especially on the basis of the rise in living costs in Germany.

4. Concerning Paragraph 2-8 above, the covert section chief estimates that travel expenses for Sovzone co-workers will average 10,000 DM monthly, compared with current travel expenses of about 9,500 DM monthly. On a yearly basis this is an increase of 6,000 DM.

5. At present we have no cost estimate for mailing operations as compared with costs for balloon operations. However, recent discussions with the covert section chief to step up mailing operations to offset distribution losses due to the current balloon operations embargo disclosed that mailing costs exceed those of balloon operations. We should not place all our eggs in one basket, i.e., balloon operations, since these are subject to the vagaries of man and nature. Since it is possible that increased costs of mailing operations can be absorbed from reduced costs for balloon operations, we do not think that this item will increase total yearly operational expenditures.

APPROVED

11 May 1953/ljm

Distribution:

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Attachment: TMS/PCOV
A - List of Names